

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

Notice of Market-Dominant  
Price Adjustment

Docket No. R2015-4

CHAIRMAN'S INFORMATION REQUEST NO. 5

(Issued February 2, 2015)

To clarify the issues raised by the Postal Service's Notice of Market Dominant Price Adjustment in Docket No. R2015-4,<sup>1</sup> the Postal Service is requested to provide written responses to the following requests and questions. Answers should be provided to individual requests and questions as soon as they are developed, but no later than February 9, 2015.

**Standard Mail**

1. The following request concerns Library Reference USPS-LR-R2015-4/2, Excel file "CAPCALC-STD-R2015-4.xlsx," tab "FSS Blended Rate Auto."
  - a. Please reconcile the proposed prices in cells K144, K155, and K166 with the proposed prices in cells K93, K105, and K170.
  - b. For the FSS Scheme DFSS tables, please provide the sources for the rates listed in the following cells: K47, K48, X47, X48, AJ47, AJ48, K131, K132, X131, X132, AJ131, and AJ132.
  - c. Please confirm that the R2013-10 rates in cells J131 and AI131 should be \$0.163 and \$0.321, respectively. If not confirmed, please explain and reconcile the explanation with the R2013-10 rate listed in cell W131.

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<sup>1</sup> United States Postal Service Notice of Market-Dominant Price Adjustment, January 15, 2015 (Notice).

2. The following request concerns Library Reference USPS-LR-R2015-4/2, Excel file "CAPCALC-STD-R2015-4.xlsx," tab "FSS Blended Rate NonAuto."
  - a. For the FSS Scheme DFSS tables, please provide the sources for the rates listed in the following cells: K47, K48, X47, X48, AJ47, AJ48, K131, K132, X131, X132, AJ131, and AJ132.
  - b. For cell AJ43, please confirm that the rate should be \$0.554. If not confirmed, please explain.
3. Please explain where the volumes and prices for customers who previously entered flats under the High Density and Saturation FSS categories are reflected in Excel file "CAPCALC-STD-R2015-4.xlsx," tabs "HD-Sat-CR Com. Cap Wts," "HD-Sat-CR NP Cap Wts," "FSS Blended Rate Auto," and "FSS Blended Rate NonAuto."
4. The following request concerns Library Reference USPS-LR-R2015-4/2, Excel file "CAPCALC-STD-R2015-4.xlsx," tab "L-F-P New Prices."
  - a. The prices for several cells in tab "L-F-P New Prices" differ from the prices listed in the proposed changes to the Mail Classification Schedule (MCS). See Notice, Attachment A, Part I, at 47-52. Please reconcile the following cells: E91, E97:H102, F28, F41, F121, K97:N102, L120, L121, Q97:T102, R33, and S93 with the rates listed in the proposed changes to the MCS.
  - b. In tab "L-F-P New Prices," the Postal Service does not list a price for Automation Mixed ADC Flats entered at a Destination Sectional Center Facility. See Cell M28. However, in the proposed changes to the MCS, the Postal Service lists a price of \$0.382 for Automation Mixed Area Distribution Center Flats entered at a Destination Sectional Center Facility. See Notice, Attachment A, Part I, at 48. Please reconcile this discrepancy.

5. The Postal Service proposes to restructure the FSS price categories. The Postal Service states that “[u]nlike the current rate structure, FSS pricing categories will no longer exist for Carrier Route, High Density, or High Density Plus categories.” Notice at 22. In Excel file “CAPCALC-STD-R2015-4.xlsx,” tab “HD-Sat-CR New Prices,” which contains the proposed R2015-4 rates, the Postal Service lists DFSS Scheme prices for High Density and High Density Plus.
  - a. Please confirm that the Postal Service plans to discontinue offering DFSS Scheme price categories for High Density and High Density Plus.
  - b. If confirmed, please explain why the price categories appear in tab “HD-Sat-CR New Prices” and are used in tab “HD-Sat-CR Revenue@New Prices” to calculate the after-price increase revenue for High Density and High Density Plus.
  - c. If not confirmed, please propose revised price tables for the MCS, which currently shows DFSS price categories struck through. See Notice, Attachment A, Part I, at 27-32.
  - d. If necessary, please provide an updated Excel file that accurately reflects the Postal Service’s proposed R2015-4 pricing structure.
6. The following request concerns Library Reference USPS-LR-R2015-4/2, Excel file “CAPCALC-STD-R2015-4.xlsx,” tab “HD-Sat-CR New Prices.” In the tab “HD-Sat-CR New Prices,” the Postal Service lists piece-rated piece prices for the new 5-Digit Pallets Carrier Route price category. See Lines 37 and 72.
  - a. Please identify where these prices appear in the proposed changes to the MCS.
  - b. If necessary, please file revisions to the proposed MCS language or Excel file “CAPCALC-STD-R2015-4.xlsx,” tab “HD-Sat-CR New Prices.”
7. The following request concerns Library Reference USPS-LR-R2015-4/2, Excel file “CAPCALC-STD-R2015-4.xlsx,” tab “Parcels-Samples New Prices.”

- a. Please reconcile the “Handling Fees for DNDC/DSCF Entry” prices in tab “Parcels-Samples New Prices” with the prices listed in the proposed changes to the MCS. See Notice, Attachment A, Part I, at 30 and 38.
  - b. Please reconcile the Detached Address List prices in tab “Parcels-Samples New Prices” with the prices listed in the proposed changes to the MCS. See Notice, Attachment A, Part I, at 32.
8. The following request concerns Excel file “(Attachment B).xls,” tab “Standard Mail Letters.”
  - a. Please confirm that in Excel file “(Attachment B).xls,” tab “Standard Mail Letters,” the Postal Service does not report dropship discounts for Standard Mail Letters.
  - b. If confirmed, please clarify why dropship discounts are not reported in tab “Standard Mail Letters.”
  - c. If not confirmed, please identify the dropship discounts.
9. Please reconcile the calculation of the dropship discounts in Excel file “(Attachment B).xls,” tabs “Standard Mail Prcls & Mkt Prcls,” “Standard Mail Carrier Route,” “Standard Mail HD-Sat Letters,” “Standard Mail HD-Sat Flts-Prcls,” with the prices listed in the proposed changes to the MCS. See Notice, Attachment A, Part I.

10. In the Notice, Attachment A, Part I of the proposed changes to the MCS, the following language appears on page 23:

*Saturation, High Density Plus, and High Density Letters (more than 3.35 ounces) Commercial and Nonprofit*

Saturation, High Density Plus, and High Density letter-shaped pieces, and letter-shaped pieces without eligible barcodes or not meeting automation letter standards, that weigh more than 3.5 ounces must pay the prices shown in the applicable Standard Mail (Commercial and Nonprofit) Saturation, High Density Plus, and High Density Flats price tables (1210.6). These pieces cannot be entered at a DDU and must be prepared as letters.

This language does not appear on the corresponding page of the Notice, Attachment A, Part II of the proposed changes to the MCS. Please reconcile the discrepancy.

11. In the Notice, Attachment A, Part I of the proposed changes to MCS, the following language appears on page 42:

*Nonautomation Pieces weighing greater than 3.35 ounces*

Letters pieces without eligible barcodes or not meeting automation letter standards, that weigh more than 3.5 ounces must pay the prices shown in the applicable Standard Mail (Commercial and Nonprofit) Flats price tables (1225.6). These pieces cannot be entered at a DDU and must be prepared as letters.

This language does not appear on the corresponding page of the Notice, Attachment A, Part II of the proposed changes to the MCS. Please reconcile the discrepancy.

By the Acting Chairman.

Robert G. Taub